Whitepaper

Modernizing provider network management with an integrated approach

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Executive Summary

Introduction

Existing provider network management solutions—often developed for a single purpose—are cobbled together, resulting in a disjointed combination of homegrown and legacy IT to support organizational needs such as credentialing portals and provider data analysis. However, this approach is not a long-term solution to provider network management and prevents payers from gaining an unbiased, unified view of provider performance. Relying on claims data alone is insufficient; organizations need robust, data-driven solutions for provider network management.

Purpose

Here, we'll explain the challenges of traditional provider network management and how a modern, end-to-end provider network management system can lay the foundation for more long-term, data-driven solutions.

Key highlights

- Providers and payers spend billions of dollars maintaining provider databases, and errors in provider directories can cause costly penalties.
- In the current payer landscape, provider data is spread across claims, credentialing, recruitment, and engagement applications.
- Fragmented provider data prohibits payers from viewing network performance, evaluating the adequacy of data, and gauging the need for new providers.
- Providers claim that online portals would be their preferred means of provider communication. For that to happen, provider data and directories need to be streamlined first.
- A lack of robust provider data leads to inefficient analysis and decision-making.
- To help incentivize providers and boost network performance, requires a modern, end-to-end approach that allows payers to access a "single source of provider data.

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What is provider network management?

Payer organizations oversee provider networks comprised of hospitals, doctors, nurses, therapists, and clinicians. To improve process efficiency, provider satisfaction, and financial and health outcomes, payers need an effective provider network management strategy. This strategy can—and should—involve directory management, contracting, credentialing, pricing, and more.

With a sophisticated approach, payers can transform the way they manage and service their provider networks and gain a deeper understanding of provider data to implement new policies, payment models, and care delivery models. It can also improve care quality and health outcomes as well as streamline the transition to value-based reimbursement models.

Current challenges in provider network management

Fragmented Provider Data

Access to robust provider data is essential to provider network management. According to a 2016 report from the Council for Affordable Quality Healthcare, one analysis estimated that "commercial health plans and providers alone spend at least $2.1 billion annually to maintain their provider databases."

Despite the expenditure, provider data is often still fragmented and spread across claims, credentialing, recruitment, and engagement applications. Diluted data like this can lead to a number of issues, including:

- An inability for payers to view network performance, evaluate its adequacy, and gauge the need for new providers.
- Increased costs for health plans and members due to out-of-network care.
- A poorly managed provider directory, which could prevent members from contacting in-network doctors for their concerns, resulting in lower satisfaction and retention rates.
- The financial impact of poor provider data management does not end at referral leakages; significant federal penalties also exist for improper maintenance of provider directories.

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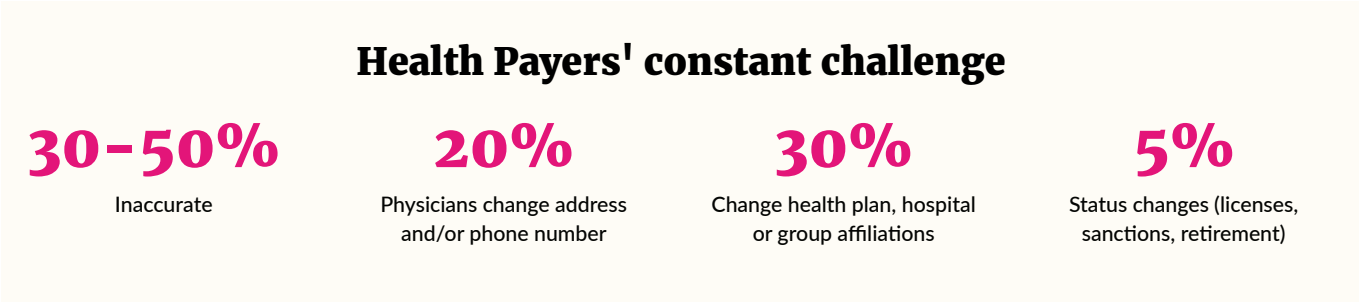
According to regulations from the Centers for Medicare & Medicaid Services, health plans can be fined up to $25,000 per beneficiary for inaccurate listings in Medicare Advantage plan directories. Additionally, an audit of Medicare Advantage provider directories revealed that almost half of the provider directory locations had at least one error.



Source: https://www.wipro.com/healthcare/a-modern-approach-to-provider-data-management/

Inadequate Communication with Providers

Siloed applications within the network management framework cannot accurately track cost and quality parameters, nor incorporate out-of-network data. Therefore, searches often retrieve duplicate or inaccurate provider data. As a result, payers are unable to drive interventions with providers—the core function of network management.

Administrative bottlenecks also complicate payer-provider interactions. In a survey of 40 health plans and more than 400 facility- and practice-based providers, 76% of the respondents noted that redundant information requests, denied claims, and other administrative interactions caused communication gaps. A quarter of respondents also said that online portals would be their preferred means of provider communication, but that provider data and directories must be streamlined first.

Poor Data Management

Problems in network management are commonly caused by improper provider data management. Most health plans still rely on legacy systems to avoid workflow disruptions, but those systems often lack interoperability and prevent payers from combining provider data stored in various databases. A 2016 report from the Council for Affordable Quality Healthcare estimated that "75% of the cost of maintaining a provider database could be offset by integrating with an external source of truth, if such a source existed."

Making decisions about network expansion and other changes to improve a health plan's performance is difficult without robust provider data. As a result, members struggle to find in-network providers that can meet their medical needs, and relationships between payers and providers also suffer because poorly managed networks are not as profitable or productive.

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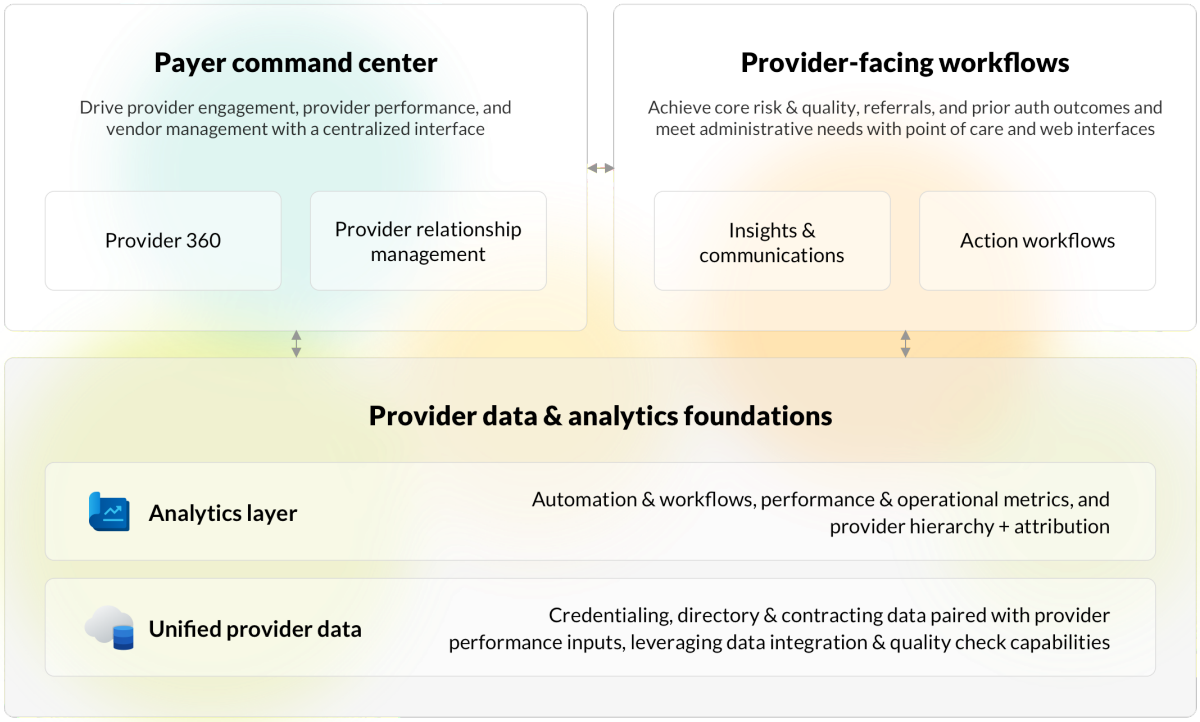
The way forward: An end-to-end, collaborative approach

Instead of siloed applications, a modern, end-to-end approach to provider network management can engage and incentivize providers and boost network performance. Payers need a scalable, flexible platform to consolidate provider data from claims, contracts, and other sources, as well as to meet compliance reporting requirements and avoid penalties. Using analytics tools on the unified data, payers can develop and modify their network to meet member needs. They need to onboard and service providers and drive interventions through outreach and incentive programs. Payers should also offer multiple channels to communicate with providers regarding needs such as prior authorization.

Modern provider network management relies on three key pillars: data integration and analytics, relationship management, and provider interfaces.



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Consolidated provider data and analytics

Provider data can be extracted from sources other than internal systems (for example, national databases and medical associations). These data sources have similar elements that can identify providers and streamline and align data in a centralized repository. Leveraging a modern data platform, payers can map entries to one provider and eliminate duplicates by comparing data entries across databases.

Analytics from a unified provider database may give more accurate performance and operational metrics than analytics from claims data alone and can reveal insights about how to grow provider networks to help providers boost care quality and plan performance.

Provider relationship management

Value-based care systems require detailed data sharing and create new administrative challenges for providers, such as redundant payer communications and interventions that contribute to physician burnout.

A modern provider network approach allows providers to submit applications online to streamline communication and reduce administrative challenges. It also helps providers keep directories updated, reducing bottlenecks such as denied claims and referral leakage.

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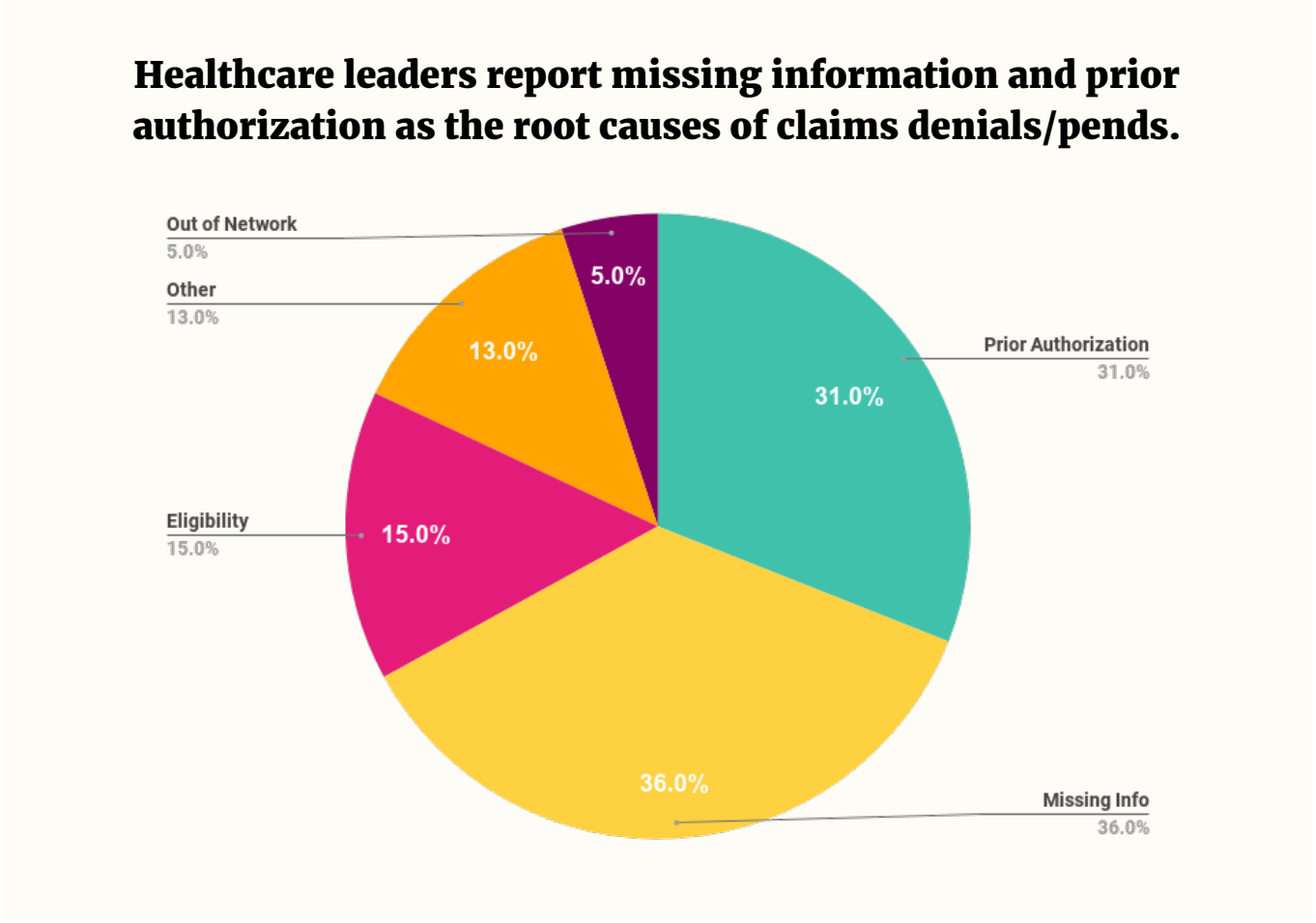

Source: https://www.mgma.com/data/data-stories/strategies-for-avoiding-common-insurance-denials

Improved provider data documentation can also reveal insights about provider relationships with health plans, other healthcare providers, and patients. Payers can then use these insights to drive interventions.

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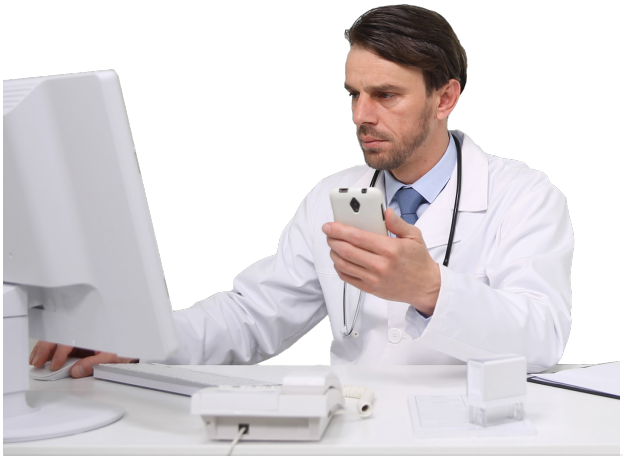
Provider-facing workflows

Limiting personal interactions and replacing them with electronic methods can boost provider performance. To succeed in the competitive health plan market, payers need to introduce point-of-care workflows, assist providers with administrative tasks such as prior authorizations and referral management, and offer easy-to-use web portals to share alerts with providers.

The future of provider network management

Value-based care is the future of healthcare. As providers take on more risks and responsibilities, it is important for payers to continually reinvent their approach to boost health plan performances because payers ultimately need to ensure their members receive quality, cost-effective care.

Short-term solutions to meet network management needs have made it difficult to accurately assess provider performance. Modern provider network management requires more support for providers; payers need an integrated, modular, flexible platform driven by centralized data and analytics to create a "single source of provider truth."



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About the Author

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Dr. David Nace has over 20 years of executive management experience in large healthcare systems, payer health plans, leading healthcare providers and health information technology organizations. Before joining Innovaccer as their Chief Medical Officer, he served as the VP of Population Health at McKesson Corporation, the Chairman of the Board at Patient-Centered Primary Care Collaborative, SVP at the UnitedHealth Group, and VP & Chief Medical Officer at Aetna. Dr. Nace has been a board member for the Integrated Healthcare Association, a statewide multistakeholder leadership group that promotes quality improvement, accountability and affordability of healthcare in California; and the Care Continuum Alliance, based out of Washington, DC. He also served as an advisor to the American Medical Association, National Business Group on Health, World Health Organization, and the International Labor Organization on issues ranging from health promotion and wellness to employer policy and healthcare financing issues. Dr. Nace earned his medical degree from the University of Pittsburgh.

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About Innovaccer

Innovaccer Inc. is a leading San Francisco-based healthcare technology company committed to helping healthcare care as one. The Innovaccer Health Cloud unifies member data across systems and care settings and empowers healthcare organizations to rapidly develop scalable, modern applications that improve clinical, operational and financial outcomes. Innovaccer's solutions have been deployed across over 1,000 care settings in the U.S., enabling more than 37,000 providers to transform care delivery and work collaboratively with payers and life sciences companies. Innovaccer has helped organizations integrate medical records for more than 24 million people and generate more than $600 million in savings. Innovaccer is recognized as a Best in KLAS vendor for 2021 in population health management and a No. 1 customer-rated vendor by Black Book.

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